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U. S. DELEGATION  
FAO PREPARATORY COMMISSION  
WASHINGTON, D. C.

Summary of FAO Preparatory Commission Developments, October 31, 1946

(Press Conference held by S. M. Bruce, Commission Chairman, Oct. 31)

Contrary to the impression carried on by some press reports, the proposals made by the American and British delegations to the FAO Preparatory Commission indicate a desire to support the objectives of the Commission, according to the opinion expressed by Chairman S. M. Bruce, at a press conference on October 31. Mr. Bruce emphasized the fact that:

The job assigned to the Preparatory Commission at the recent FAO conference is not to establish a World Food Board, but rather to agree on the best machinery for achieving the two-fold objectives embodied in the World Food Board Proposal:

- (1) Developing and organizing production, distribution and utilization of the basic foods to provide diets on a health standard for the people of all countries;
- (2) Stabilizing agricultural prices at levels fair to producers and consumers alike.

Mr. Bruce read from the record to document his assertion, both as regards the job assigned to the Preparatory Commission and the American position. He quoted a paragraph from the statement of the American delegate, Under Secretary of Agriculture Dodd, supporting the two objectives toward which the Preparatory Commission is aiming.

Regarding the American position that the objectives cannot be reached without taking into account the program of the World Trade Organization, Mr. Bruce said it was obvious that, for a world food plan to succeed, FAO must work closely with the International Trade Organization, the International Bank and Monetary Fund, and the Economic and Social Council.

Concerning the U. S. position with regard to buffer stocks, Mr. Bruce said that it appeared to him that the chief difference between the U. S. and the British is that the American suggestion seems to be inclined to wait until surpluses are upon us while the British feel that, for certain basic commodities, permanent machinery should be set up to control wide price variations. As to point made by the U. S. delegation that the ITO conference is considering problems connected with the various commodities and that plans for setting up buffer stocks for agricultural productions should not be made without regard to ITO, Mr. Bruce said: "Unless we're very stupid, it's obvious we've got to get together between ITO and FAO to see what can be done or can't be done."

Mr. Bruce further said that we have got to try to build a world in which there are better standards of living and social security. All this is dependent on expanding world trade. But there has got to be a starting point for expanding world trade. The point has been made. Why not start with agriculture, the greatest industry in the world?

Belief that a joint committee of ITO and the FAO Preparatory Commission will be set up to work out plans acceptable to both groups was expressed by the Chairman of the FAO Preparatory Commission. He expects the ITO meeting in London to be over in time to enable representatives to attend a joint meeting with the FAO Preparatory Commission.

Asked whether he believed a specific plan would be adopted during the current Commission sessions, Mr. Bruce said he personally felt that it would be a waste of time if the Commission merely recommends further study. He said it is the job of the Commission to decide whether the aims endorsed by FAO can be put into practical operation and, if they can be, to say how it can be done. That's our job and I think we are going to do it, said Mr. Bruce. He pointed out that any action taken by the Commission would have to be in the form of a recommendation which would be referred back to the FAO member nations for acceptance.

The next plenary session of the FAO Preparatory Commission will meet on the afternoon of November 1, when announcement will be made of the Committees and plan of work. Mr. Bruce explained that the plenary sessions were recessed from the last meeting on October 29 until that time to enable the heads of the delegations to do this organization work, which is an essential preliminary to getting on with the Commission's job.

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SUMMARY: Proceedings of the FAO Preparatory Commission on World Food Proposals

(First day meeting, USDA Auditorium, October 28, 1946)

Following are highlights from the speeches made at the opening session of the FAO Preparatory Commission meeting, in the USDA Auditorium, October 28.

THE JOB OF THE FAO PREPARATORY COMMISSION -- Sir John Boyd Orr

The job facing the Preparatory Commission was outlined in a speech by Sir John Boyd Orr, Director General of the Food and Agriculture Organization who delivered the opening address. Sir John recalled that:

The Preparatory Commission was set up by the FAO Conference in Copenhagen to consider proposals for developing international machinery designed to work toward: Providing health standard diets for the people of all countries; and stabilizing agricultural prices at levels fair to producers and consumers alike.

While these two objectives were embodied in a proposal for establishment of a World Food Board, the Preparatory Commission is free to consider other proposals for reaching these goals. After considering the various proposals, the Commission is to prepare an interim report to the Director General of FAO for circulation to governments and international agencies. Then a final report will be circulated, prior to consideration by another FAO conference which will in turn make recommendations and submit them to the United Nations for action.

Objections Answered -- Urging the need for cooperative action by the nations in the interest of world prosperity and peace, Sir John answered some of the objections that have been raised to proposals for setting up international machinery to raise world diet standards and to stabilize farm prices. Fear that prices would be stabilized at such a high level as to throttle consumption on the one hand and fear that low price policies would tend to discourage production on the other hand are both unwarranted because representatives of these two opposing points of view on the international agency would assure that neither extreme view would prevail. Fear that such an organization would lead to a vast bureaucracy is also unwarranted, as the purpose is to encourage trade not hamper it. Fear that American taxpayers (or the taxpayers of some other country, depending on the questioner) will have to pay for world development he answered by pointing out that countries that are being developed will pay, out of their increased wealth, as in the case of any other productive investment.

Urgency For Quick Action -- While there is precedent for world proposals to restrict production and consumption, there is no precedent for setting up world machinery to expand production and consumption. For this reason, Sir John recommended adoption of a simple, flexible plan dealing at first with only a small number of commodities. He emphasized the urgency for speedy action, so as to have a working organization set up to take over the business and rehabilitation work of UNRRA which will soon go out of existence, and to carry on after the International Emergency Food Council terminates in 1947.

OPENING REMARKS OF THE CHAIRMAN -- Rt. Hon. S. M. Bruce of Australia

Mr. Bruce hailed the growing realization that expansion of consumption, and not the restriction of production, is the answer to the world's financial and economic problems. He prophesied that many of the FAO proposals would be



accepted unanimously but foresaw contention over methods for achieving the goal of stabilizing prices at levels fair to producers and consumers.

Owing to the divergent opinions and the urgent need for action in the field of price stabilization, Mr. Bruce recommended that the Commission give prompt consideration to the proposal to establish buffer stocks as a stabilization measure -- and that representatives of the Trade Organization and of Bank for Reconstruction and Development be invited to cooperate on a special committee of the Commission to consider this problem on a basis of equality rather than as observers. As the ITO Commission is likely to complete its preliminary discussions by the end of November, this would be practical, he said.

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STATEMENT BY U. S. UNDER SECRETARY OF AGRICULTURE -- Norris E. Dodd

While endorsing the objectives set forth in the Proposal for a World Food Board, Under Secretary Dodd, speaking as the United States delegate, expressed doubt whether a World Food Board or any similar device would, by itself, be adequate to deal with the effect that widespread government intervention threatens to have upon agricultural demand and supply situations over the world when the present emergency has passed.

Mr. Dodd suggested, as an alternate proposal for achieving the basic aims, that the Commission create two committees with the following functions:

Committee I -- To deal with development and coordination of national nutrition and agricultural programs and with the consultative machinery FAO should set up to give assistance in promoting these programs.

Committee II -- To consider the problems of international commodity stabilization and surplus disposal, and the use of international commodity agreements for these purposes.

Speaking for the American delegation, Mr. Dodd expressed doubt whether any combination of buffer-stock and surplus-disposal operations which contemplates the establishment of a two-price system can be operated successfully without quantitative controls of supply. In our view such controls are not adequately provided for, he stated. His statement questioned whether the proposed World Food Board could deal effectively with rapidly changing problems of price, production and distribution, which, "ought to be dealt with by special negotiations commodity by commodity." Mr. Dodd also pointed out that Governments would be unlikely to place the large funds needed for financing such a plan in the hands of an international agency over whose operations and price policy they would have little control.

Mr. Dodd directed the attention of the Commission to the United States proposals for a World Trade Organization, working toward world-wide expansion in employment, production, trade and consumption through the reduction of trade barriers and other measures. He said, "It is the considered view of the United States Government that the ITO proposals provide a useful starting point for the deliberations of this Commission." He also suggested that the FAO Preparatory Commission keep in close touch with progress of the ITO Commission now meeting in London.

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STATEMENT BY THE MEMBER FOR DENMARK -- Mr. A. P. Jacobson, Agricultural Adviser to the Danish Government

Importance of price as a means for adjusting world food production in line with need was emphasized by Mr. Jacobson who said, "I am sorry to say that the farmers and fisherman cannot plan their production according to need, they can only plan it in accordance with market conditions....It is of great importance to the success of our endeavors that a high and stable level of employment in industry is maintained in the future ... In the American 'Proposals for Consideration by an International Conference on Trade and Employment,' it is rightly stressed that freer commercial intercourse between the nations is only to be expected if the problem of full employment is solved. In this respect the endeavors for creating an International Trade Organization and a World Food Board run closely parallel."

Mr. Jacobson criticized attempts made in the past to stabilize agricultural prices by limiting prices without regard to consumer. He urged that FAO plans must be carried out by nations, preferably by all nations and not by the interested groups themselves, and they should embody a possibility and even an encouragement for increased production and ampler supplies.

The Danish member questioned the wisdom of a double price system proposed by the Standing Advisory Committee on Economics and Marketing. In his opinion it would be better to let the same price be in force for all countries concerned.

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STATEMENT BY THE REPRESENTATIVE OF THE NETHERLANDS -- A. H. Boerma, Commissioner for Foreign Agrarian Affairs.

Mr. Boerma recommended that the Commission study the relationship and compatibility of the proposals of the Director General of FAO for a World Food Board and the objectives of the American Trade Proposals. He stated that the Netherlands Delegation had concluded from a study of both proposals that the American Trade Proposals are not in conflict with the proposal for a World Food Board. Both plans aim toward an expansion of trade and both recognize the importance of a policy of full employment.

Referring to a difference in attitude with regard to international commodity arrangements, Mr. Boerma said the American proposals consider those commodity arrangements only as a temporary expedient, while the World Food Board proposal may be described as a permanent and comprehensive organization coordinating commodity arrangements which are to be considered as normal and regular means in reaching the goals of a better nutrition and a prosperous agriculture.

"The Netherlands Government is convinced that as a permanent method to stabilize prices of commodities on the world market, international commodity arrangements are necessary and therefore my Government has instructed its delegation at the London Conference on Trade and Employment to stress this point strongly. If it should prove possible in London to amend the American proposals in this sense, then I believe we could find a way to draft a plan which would combine the relevant suggestions of both proposals," said Mr. Boerma.

"In view of the great importance of reconciling the above-mentioned difference in the proposals, I would suggest that a special subcommittee be established to study these problems."

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COMMISSION SET UP. The Preparatory Commission is comprised of 16 FAO member nations. Also invited to participate were three non-member nations with major food resources. Of these three, Siam was the only one that had a representative present at the opening session of the Commission but it was hoped that the other two, Russia and Argentina, would later accept the invitation to participate.

Four specialized intergovernmental organizations also represented at the meeting are: International Labor Organization, World Health Organization, International Bank for Reconstruction and Development and International Monetary Fund. The Social and Economic Council of the United Nations also has two representatives at the conference, one to speak especially for the Preparatory Commission on Trade and Employment of the International Trade Organization.

The 16 FAO member nations represented on the Commission are: Australia, Belgium, Brazil, Canada, China, Cuba, Czechoslovakia, Denmark, Egypt, France, India, Netherlands, Philippine Republic, Poland, United Kingdom, and the United States. Each FAO member government not represented on the Commission has the right to send an observer. Eight countries took advantage of this opportunity to have observers at the opening session.

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DOCUMENTS -- The following documents from the opening session of the FAO Preparatory Commission are available from the U. S. Department of Agriculture, Office of Information:

The Job of the FAO Preparatory Commission -- Remarks by Sir John Boyd Orr, Director-General, Food and Agriculture Organization.

Opening Remarks of the Rt. Hon. S. M. Bruce, Chairman of the Preparatory Commission on World Food Proposals.

Statement Made by the Honorable Morris E. Dodd, Under Secretary of Agriculture.

Remarks by Mr. A. P. Jacobson, Agricultural Adviser to the Danish Government, Copenhagen.

Address of the Representative of the Netherlands, A. H. Boerma, Commissioner for Foreign Agrarian Affairs.

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SUMMARY: Proceedings of FAO Preparatory Commission on World Food Proposals

(Second day meeting, USDA Auditorium, October 29, 1946)

Following is a digest of statements made at the second day's meeting of the FAO Preparatory Commission which was held in the USDA Auditorium, October 29, with Chairman S. M. Bruce presiding: (This is the third plenary session of the Commission; the first and second sessions which took place on the morning and afternoon of October 28 were digested in a previous summary).

MESSAGE FROM THE LONDON CONFERENCE

Greetings from the Preparatory Commission on International Trade and Employment were brought by Mr. David Owen, Assistant Secretary General for Economic Affairs of the United Nations, who has just returned from the London meeting considering proposals for a World Trade Organization.

Mr. Owen said he would be happy to organize liaison between the two groups, if at any time during the sessions of the FAO Preparatory Commission on World Food Proposals need arises for a joint committee to include representatives from both groups. Close cooperation between the organizations of the United Nations is desirable to promote efficiency and avoid overlapping of work, he said.

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STATEMENT BY HAROLD WILSON, O.B.E., M.P. -- Leader of the U. K. Delegation  
(Mr. Wilson is Secretary of the Ministry of Public Works in the U.K. Government.)

STABILIZATION OF PRICES OF PRIMARY PRODUCTS. -- Underlining the need for promoting effective measures to stabilize farm prices, Mr. Wilson stressed the importance of farm prosperity to prosperity of industrial workers throughout the world. He stated that the U. K. delegation had prepared a paper dealing with the problem of stabilization which they would like to put before the Commission, perhaps for examination by a committee working on the problem.

Means to commodity stabilization discussed in the paper include: buffer stocks, long-term contracts, restriction schemes, and special price systems. Most important of these measures for achieving greater stability of agricultural prices, in the opinion of H. M. Government, are buffer stocks and long-term contracts with appropriate action by national governments. These belong in any permanent plan. Restriction schemes and price systems on the other hand are regarded as temporary devices.

Regarding financial arrangements and international machinery, Mr. Wilson said that the U. K. delegation felt that there should be one international authority (or international federation of national buffer stock authorities) to cover all primary products, not merely those within the field of food and agriculture. Provision should however be made for considering each commodity separately and "whatever international authority is established should not be free to set up machinery for any one commodity without separate reference back to Governments who would consider the specific proposals for that commodity in the light of the financial and other circumstances ruling at the time."

RAISING DIET STANDARDS -- Asserting that the British people do not lag behind any nation in their desire to see the standard of nutrition of all the peoples of the world raised as quickly as possible, Mr. Wilson suggested that a more realistic approach to the problem would be to consider it in terms of the three main groups comprising the world's 1,000 million people living below the 2250-calorie level.



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Of the "Submerged Tenth" in industrial countries, Mr. Wilson said that this class of undernourishment, which during the depression affected far more than a tenth of the population, is avoidable and should be eliminated by action of each of the national governments concerned. Even under the stress of wartime shortages, England has made progress in that direction. For example, about half the country's milk consumption now comes under subsidies providing for cheap or free milk for consumers in special need, such as expectant and nursing mothers, young children, invalids and school children.

Primary producers in less advanced countries who depend on their own crops rather than exchange comprise a second group living below the nutrition line. Increased output is the key to raising their diet standards but that takes time and in the interim there is the possibility of linking the needs of these hungry millions with the surpluses in more productive lands. This raises the question of who is going to pay for any such interim measures. The U. K. delegation is a little skeptical of the two price system for two reasons: (1) because it would mean an artificially high top price and that the burden of financing the scheme would fall on the importing countries, some of whom are unable to bear it; and (2) however low the lower price is, there are many countries who simply will not have the purchasing power to buy goods even at the low price. If anything is to be worked out, it must involve a transfer of purchasing power to the countries whose food standards need to be raised in this way. Any international transfer of purchasing power should come primarily from the producing nations whose problem of disposing of embarrassing agricultural surpluses is to some extent relieved by these transfers.

Primary producers living by exchange from the sale of raw materials such as copper, rubber or sisal -- or foods such as cocoa, coffee, tea which do not make a full diet -- comprise a third group of consumers below the nutrition line. Any general expansion in their standard of life is dependent on those measures for increasing world demand and world trade being considered at the London conference for a World Trade Organization; the FAO Preparatory Commission alone cannot accomplish its objectives but this is no reason for not making a start. "There are great problems and difficulties to be faced, but if we can plan on the basis not of the restrictionist world economy of the nineteen-thirties, but on the assumption of a rapidly expanding world then we may achieve results which will go far to solve the evil paradox of poverty in the midst of plenty."

ADDRESS BY MR. CHEN CHIH-MAI -- Representing the Chinese Republic

The Chinese government received the proposal for a World Food Board with great enthusiasm, according to Mr. Chen.

Handicapped as it is by a primitive agricultural system and the devastation of war, the Chinese are naturally glad that FAO is planning a permanent organization to develop and organize the production, distribution and use of the basic foods to provide diets on a health standard for the people of all countries. About 80 percent of the population of China, numbering 360 million people are engaged in farming, many of them on farms too small for efficient production.

Mr. Chen endorsed the idea of establishing buffer stocks as a sensible one pointing out that the Chinese people, in their more or less self-governing units, have for thousands of years resorted to such a method to provide for a rainy day.

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ADDRESS BY DR. VOJTECH SCHLESINGER -- Representing Czechoslovakia

Need for approaching the job of improving world diets and establishing fair prices for farm products with open minds, free from established misconceptions and selfish influence was stressed by Dr. Schlesinger.

"Real needs, fairly adjusted and fairly met as well as the regard for the inability of many countries to meet those needs before they have attained a more developed economy -- these are some of the considerations which must be taken in account if we want to create a living organization and not just another structure on paper. Otherwise all our noble statements about the equality of access to the earth's products and resources so generously made during the dark hours of the war and after will prove to be idle talk without substance and without a real promise of positive achievement," he said.

Dr. Schlesinger reported that the food policy in Czechoslovakia is regulated by the government, with fixed ceiling prices. He said Czechoslovakia would help to some extent with exports of available food surpluses but also wanted to have a just share of the commodities they import.

"We think it will also be necessary to deal with the question of speculative reexports of food, which in our opinion causes some disturbances today", said Dr. Schlesinger.

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STATEMENT OF THE REPRESENTATIVE OF INDIA -- Dr. K. W. Katju

Hope that India will in the near future be able to produce all the food she needs was expressed by Mr. Katju. He said, "We want to be self-supporting as soon as we can, but if in the meanwhile you could assist us, we should gratefully accept your surplus production at prices the most needy sections of the Indian people, with their low purchasing power, can afford to pay."

Mr. Katju suggested that the Commission consider the feasibility of fixing regional prices for agricultural surpluses in accordance with the varying conditions of the consumers in the different countries. He felt that it would not be difficult to devise some method by which these prices might all be pooled together to offer the producer in the exporting countries a fixed average price for all the food-stuffs exported by him.

"Food grains should, if we are serious in our endeavor to improve the nutrition of the people of the world at large, cease definitely to be an object of speculation in the international markets of the world," said the Indian representative.

Mr. Katju also stated that the Indian position was that the Food plan should not be so centralized as to stifle local freedom. Taking rice as an example, he said that during the war and even now, distribution of rice is controlled from centers in which rice is more a munition of war than a vital food. In the opinion of Mr. Katju, a decentralization plan would economize time, and energy and provide a sensible, economic and humane arrangement which will equate the surpluses and deficits of the rice region without the friction and delays which have contributed to deep distress in India and China at the present time."

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REPRESENTING THE ECONOMIC AND SOCIAL COUNCIL -- Dr. W.A. Makintosh, Alternate  
on the Canadian Delegation to the Economic and Social Council

Speaking as a representative of the Economic and Social Council of the United Nations was Dr. Makintosh who emphasized the importance of working toward an expanding world economy.

PERSONNEL OF THE U. S. DELEGATION

Personnel of the U. S. Delegation to the Preparatory Commission has been approved by the President as follows:

Delegate: Mr. N. E. Dodd, Under Secretary of Agriculture

Alternate Delegates: Mr. Willard L. Thorp, Deputy to the Assistant Secretary for Economic Affairs, Department of State  
Mr. L. A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture

Advisers: Dr. H. B. Boyd, Director, Office of Price, Dept. of Agriculture  
Mr. Edward G. Cale, Associate Chief, International Resources Division, Department of State  
Mr. Joseph D. Coppock, Economic Adviser, Office of International Trade Policy, Department of State  
Mr. Carl H. Gibboney, Commodity Arrangements Policy Adviser, Commercial Policy Staff, Department of Commerce  
Mr. James G. Maddox, Special Assistant to the Chief, Bureau of Agricultural Economics, Department of Agriculture  
Mr. Leroy D. Stinebower, Special Assistant to the Under Secretary for Economic Affairs, Department of State  
Miss Faith M. Williams, Director, Staff of Foreign Labor Conditions, Department of Labor  
Dr. Oscar Zaglits, Principal Economist, Office of Foreign Agricultural Relations, Department of Agriculture

Secretary of the Delegation: Mr. Duncan Wall, Head, Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, Department of Agriculture.

DOCUMENTS -- The following documents from the second days session of the FAO Preparatory Commission, October 29, are available from the U.S. Department of Agriculture, Office of Information:

Address of Mr. Chen Chih-Mai of the Chinese Republic.

Statement by Harold Wilson, O.B.E., M.P., Parliamentary Secretary to the Ministry of Works in the U. K. Government.

Address of Dr. Vojtech Schlesinger, of Czechoslovakia.

Statement of the Representative of India, Dr. K. M. Katju.



UNITED STATES DEPARTMENT OF AGRICULTURE

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✓ U.S. A. DELEGATION  
✓ FAO PREPARATORY COMMISSION  
WASHINGTON, D. C.

U.S. Delegation to the Preparatory Commission  
on world food proposals of the Food and  
agriculture organization of the United  
nations.

✓ Summary of FAO Preparatory Commission Developments, November 1, 1946

(Plenary session of the FAO Preparatory Commission, held in  
USDA Auditorium, November 1.)

The FAO Preparatory Commission, meeting in Plenary Session on November 1, unanimously adopted a resolution to establish two committees "to examine thoroughly, in the light of the proposals made by the Director-General of FAO and any alternative proposals which may be submitted, the means of achieving the objectives agreed upon at the Copenhagen Conference and the problems arising therefrom, and to make concrete recommendations and propositions to achieve these objectives.

COMMITTEE I -- Development and Food Programs

Committee I should, having regard to the studies prepared by FAO, deal with the problems arising out of the development and coordination of national nutrition and agricultural programs and with the international machinery which might be required to give assistance in connection therewith.

COMMITTEE II -- Price Stabilization and Commodity Policy

Committee II should consider the problems of the stabilization of agricultural prices at levels fair to producers and consumers alike, of the acquirement, utilization, and disposal of surpluses and the use of international agreements, and any other international machinery or action appropriate for these purposes."

Establishment of the two committees is in line with a suggestion made at the earlier session by the American delegation. The American member, Under Secretary of Agriculture Dodd, moved adoption of the resolution, which was seconded by the representative of India.

The resolution provides that the Chairman of the Commission, S. M. Bruce, shall act as Chairman of the two Committees and shall designate someone from among the delegates to act as Chairman for any session which he may be unable to attend. Subject to this, the two committees will appoint their own officers, determine their own procedure and shall have power to set up from time to time such subcommittees or working parties as may be required.

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In opening the session, Chairman Bruce announced that Argentina had accepted an invitation to participate in the FAO Preparatory Commission to the extent of sending two observers. If at any time, Argentina decides to go a step farther and have a delegate on the Commission such action would be very welcome, he said.

MAY 12 1948



Representatives from Canada, Siam, France, and the Philippines presented statements. Highlights from their statements follow:

STATEMENT BY G. S. H. BARTON -- Leader of the Canadian Delegation

A plea for open mindedness on the part of all delegations in considering the possibilities of a World Food Board as well as any other plans of action that may be advanced was made by Mr. Barton. If at this stage arbitrary positions are taken for or against any particular proposal the task of reaching agreement, which will be difficult enough, will be made that much more difficult, he said.

"There may, for example, be a disposition for some governments to take a firm line in favor of commodity agreements as opposed to buffer stocks and for other governments to favor buffer stocks as opposed to commodity agreements. Such a division of opinion on methodology would be most unfortunate," said the Canadian delegate.

While expressing the view that the Commission should not attempt to do too much at the outset and that more would be accomplished in the long run if the Commission brings forward recommendations of relatively limited scope that can be expanded in the light of experience, Mr. Barton warned against over-caution, saying some risks must be taken if any progress is to be made toward reaching FAO objectives. He stressed the importance of cooperation with other international organizations such as ITO but said that the FAO Preparatory Commission had been assigned a specific job and that it was their responsibility to discharge it with dispatch and to the best of their ability.

ADDRESS MADE BY DR. CHARAS SUEBSAENG -- Leader of the Siamese Delegation

Dr. Suebsaeng said that Siam endorses the objectives of the Preparatory Commission and wants to cooperate by supplying as much rice as possible to relieve the world shortage. To do this it needs aid in overcoming difficulties in the way of production, resulting from inflation and shortages in livestock and other production and transportation facilities. "If Siam can hope to achieve any result materially in the way of food production to help feed the world, it must have sufficient funds to purchase all the vehicles, implements, consumer goods and medicine necessary for the purpose. This in turn will entail the necessity of Siam's asking for cooperation and assistance of this Commission," said Dr. Suebsaeng.

STATEMENT MADE BY THE HONORABLE NARCISO RAMOS -- Minister-Counselor, Philippine Embassy

On behalf of the Philippine government, Mr. Ramos expressed support of the objectives of FAO to raise diet standards of people of all countries and to stabilize farm prices at fair levels. He spoke of the great devastation of the Philippines, their immediate need for rehabilitation aid and their long term problem of raising agricultural productivity and living standards.



STATEMENT BY THE REPRESENTATIVE OF THE FRENCH REPUBLIC -- F. L. Closon

Speaking for the French delegation, Mr. Closon said that the French delegation is not offering a counter proposal. The French proposition is that the Report of the Economic Committee should remain the working basis of the Preparatory Commission. Mr. Closon expressed the hope that would proceed methodically to develop the faint outlines already drawn. He suggested that study should be given to the matter of aid on a long term basis. Regarding price, he emphasized the importance of considering the inter-relation of various commodities and of getting factual data regarding the substitution phenomena which would result from action upon prices: substitution and shifts in production and in consumption, the reciprocal action of prices of staple foodstuffs, the reaction of prices of foodstuffs upon the prices of non-food agricultural products, the reaction of agricultural prices on industrial prices and vice versa.

Importance of considering the transportation problem in view of its relation to the price of foods and the administration of stocks was also stressed by the French delegate. He further said: The establishment of machinery which will ensure an ever-normal granary to the different peoples of the world, the creation of buffer stocks, the stabilization of prices, the growth of national incomes is essentially a long-range proposition and must be brought within the general framework of world economy.

The French delegate also spoke of the necessity for working out precise and concrete solutions and asked that decision taken are not "such as would result in the creation of closed economic blocs."

DOCUMENTS -- The following documents from the November 1 Plenary Session of the FAO Preparatory Commission are available from the U. S. Department of Agriculture, Office of Information:

Statement by G. S. H. Barton -- Deputy Minister of Agriculture, Leader of the Canadian Delegation.

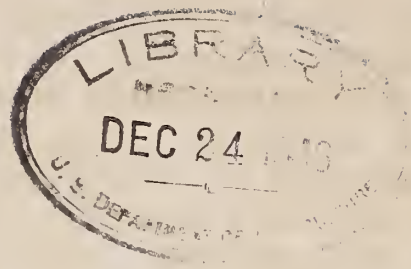
Statement by the Representatives of the French Republic -- F. L. Closon.

Address made by Dr. Charas Suebsaeng -- Leader of the Siamese Delegation.

Statement made by the Honorable Narciso Ramos -- Minister-Counselor, Philippine Embassy.

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MAY 12 1948

Representatives from Canada, Siam, France, and the Philippines presented statements. Highlights from their statements follow:

STATEMENT BY G. S. H. BARTON -- Leader of the Canadian Delegation

A plea for open mindedness on the part of all delegations in considering the possibilities of a World Food Board as well as any other plans of action that may be advanced was made by Mr. Barton. If at this stage arbitrary positions are taken for or against any particular proposal the task of reaching agreement, which will be difficult enough, will be made that much more difficult, he said.

"There may, for example, be a disposition for some governments to take a firm line in favor of commodity agreements as opposed to buffer stocks and for other governments to favor buffer stocks as opposed to commodity agreements. Such a division of opinion on methodology would be most unfortunate," said the Canadian delegate.

While expressing the view that the Commission should not attempt to do too much at the outset and that more would be accomplished in the long run if the Commission brings forward recommendations of relatively limited scope that can be expanded in the light of experience, Mr. Barton warned against over-caution, saying some risks must be taken if any progress is to be made toward reaching FAO objectives. He stressed the importance of cooperation with other international organizations such as ITO but said that the FAO Preparatory Commission had been assigned a specific job and that it was their responsibility to discharge it with dispatch and to the best of their ability.

ADDRESS MADE BY DR. CHARAS SUEBSAENG -- Leader of the Siamese Delegation

Dr. Suebsaeng said that Siam endorses the objectives of the Preparatory Commission and wants to cooperate by supplying as much rice as possible to relieve the world shortage. To do this it needs aid in overcoming difficulties in the way of production, resulting from inflation and shortages in livestock and other production and transportation facilities. "If Siam can hope to achieve any result materially in the way of food production to help feed the world, it must have sufficient funds to purchase all the vehicles, implements, consumer goods and medicine necessary for the purpose. This in turn will entail the necessity of Siam's asking for cooperation and assistance of this Commission," said Dr. Suebsaeng.

STATEMENT MADE BY THE HONORABLE NARCISO RAMOS -- Minister-Counselor, Philippine Embassy

On behalf of the Philippine government, Mr. Ramos expressed support of the objectives of FAO to raise diet standards of people of all countries and to stabilize farm prices at fair levels. He spoke of the great devastation of the Philippines, their immediate need for rehabilitation aid and their long term problem of raising agricultural productivity and living standards.



STATEMENT BY THE REPRESENTATIVE OF THE FRENCH REPUBLIC -- F. L. Closon

Speaking for the French delegation, Mr. Closon said that the French delegation is not offering a counter proposal. The French proposition is that the Report of the Economic Committee should remain the working basis of the Preparatory Commission. Mr. Closon expressed the hope that would proceed methodically to develop the faint outlines already drawn. He suggested that study should be given to the matter of aid on a long term basis. Regarding price, he emphasized the importance of considering the inter-relation of various commodities and of getting factual data regarding the substitution phenomena which would result from action upon prices: substitution and shifts in production and in consumption, the reciprocal action of prices of staple foodstuffs, the reaction of prices of foodstuffs upon the prices of non-food agricultural products, the reaction of agricultural prices on industrial prices and vice versa.

Importance of considering the transportation problem in view of its relation to the price of foods and the administration of stocks was also stressed by the French delegate. He further said: The establishment of machinery which will ensure an ever-normal granary to the different peoples of the world, the creation of buffer stocks, the stabilization of prices, the growth of national incomes is essentially a long-range proposition and must be brought within the general framework of world economy.

The French delegate also spoke of the necessity for working out precise and concrete solutions and asked that decision taken are not "such as would result in the creation of closed economic blocs."

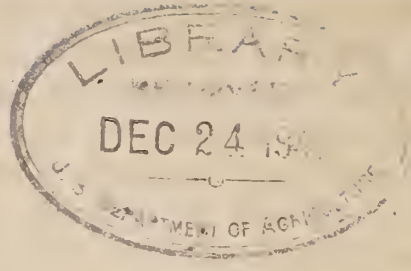
DOCUMENTS -- The following documents from the November 1 Plenary Session of the FAO Preparatory Commission are available from the U. S. Department of Agriculture, Office of Information:

Statement by G. S. H. Barton -- Deputy Minister of Agriculture, Leader of the Canadian Delegation.

Statement by the Representatives of the French Republic -- F. L. Closon.

Address made by Dr. Charas Suebsaeng -- Leader of the Siamese Delegation.

Statement made by the Honorable Narciso Ramos -- Minister-Counselor, Philippine Embassy.





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FAO PREPARATORY COMMISSION  
WASHINGTON, D. C.FOR ADMINISTRATIVE USE

Summary of FAO Preparatory Commission Developments, November 8, 1946.  
(Plenary session, held in the Grafton Building Annex, November 8,  
followed by press conference of S. M. Bruce, Commission Chairman.  
Also agenda adopted by Committee II (On Price Stabilization and  
Commodity Policy) of the Commission, November 6.)

After several days devoted to executive session, the FAO Preparatory Commission on World Food Proposals again met in plenary session to give several delegates who had not previously submitted statements an opportunity to speak. Representatives from Egypt, Belgium and Cuba presented the views of their governments. Highlights from their speeches follow:

Statement by His Excellency Saba Pacha Habachy -- Representative of Egypt

Whatever international machinery is set up and whatever formula may be adopted should be flexible enough to adapt itself to special situations and different commodities, without serious harm to the national economy of any country, in the opinion of the Egyptian delegate. Otherwise it will be difficult to reach the unanimous agreement necessary for the Commission successfully to conclude its work.

As a case in point, the Egyptian delegate cited the necessity for Egypt to continue to grow wheat even at a non-competitive cost of production because of the dire necessity of filling in the cycle of their agricultural rotation. Otherwise, he said, a large area of Egypt's land would have to be unutilized and their national income would be considerably reduced, curtailing the purchasing power of the people.

In view of this situation, he endorsed paragraph 51 of the United Kingdom proposals for a positive commodity policy which says in part:

"...we do not think that Governments should be committed to support any comprehensive plan which would give an international authority power to establish actual commodity schemes without reference to the particular countries. We are satisfied that each commodity must be taken on its merits..."

On behalf of the Egyptian delegation, Mr. Habachy expressed support of the general objectives endorsed by the Copenhagen Conference. He also said that his country was taking steps to raise the nutrition levels of its citizens and to see that its farmers get a share of the national income. Recently the Egyptian government appropriated twenty million dollars to be spent in a special campaign against want, ignorance and disease.



Statement by Mr. Enrique Perez Cisneros -- Alternate Member of the Cuban  
Delegation

Mr. Cisneros endorsed the proposal previously made by the U. S. Delegation that the "Proposals for a World Trade and Employment Organization" which were drafted by the U. S. Government and are now being considered at the World Trade Conference in London might well be a starting point for simultaneous and coordinated action toward the recovery and improvement of world economy since "they try to secure, as the Chairman of the U. S. Delegation pointed out the other day, a world with expansion in employment, production, trade and consumption."

He expressed regret that debates of the FAO Preparatory Commission should have started while the same matters are being considered in London.

Proposals of Sir John Boyd Orr will be unattainable without simultaneous and coordinated action in all main fields of world economy, the Cuban representative believes. He said that the great problem is to increase the purchasing power of the less developed countries and those have low standards of living but added that: "Purchasing power cannot be seriously increased through international charity or by trying to stabilize prices in a world economy made of barriers and injustices."

Pledging the cooperation of Cuba in working out a plan for effective action, Mr. Cisneros stressed the interest of Cuba in stabilizing prices of sugar which have fluctuated in a 13 year period between a high of 23.35 cents a pound and a low of 0.52 cents a pound.

Statement by Ambassador Pierre Forthomme -- Head of the Belgian Delegation

As the Belgian delegate sees it: "The first task of the Commission is to find whether it is possible to create a World Food Board, or whether it would be better to turn to unilateral planning by each government concerned, or even if the practical solution today could not be found in some system that would deal at first, and on an experimental basis, with only one or two commodities, wheat or rice for instance."

Agreeing that the work of the FAO Preparatory Commission must be closely related to ITO, Ambassador Forthomme urged that the work ought not be so closely tied to ITO as to delay its own action. The peoples of the world are not in a position to wait until international trade gets back on a normal basis, the Belgian delegate said.

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On behalf of the Department of Agriculture, Under Secretary Dodd invited Commission delegates to go on a trip into the farming country of Virginia or Maryland or to visit the Experimental Station at Beltsville. When one of the delegates suggested that it might be nice to do both, Mr. Dodd explained that it would take a whole day to see Beltsville but expressed willingness to make arrangements for either or both trips. Mr. Bruce accepted the invitation with thanks on behalf of the Commission and referred decision as to the time and place of the tour to the committee.



Bruce Press Conference

Hope that the FAO Preparatory Commission will be able to agree on definite proposals for a World Food Plan by January was expressed by Chairman S. M. Bruce at a press conference held following the plenary session, November 8. Any such proposals would then be referred back to the governments for consideration.

There is little likelihood that the London Conference now considering plans for an International Trade Organization will do more than set up an agenda for a later meeting to consider definite proposals, in the opinion of Mr. Bruce. For this reason there is little danger that the FAO Preparatory Commission will duplicate or run into conflict with ITO in formulating views on the best course of action to be taken in regard to stabilizing food prices.

Again Mr. Bruce expressed the hope that the ITO conference would conclude in time so that the FAO Preparatory Commission could have the benefit of the views of experts now at the London conference. The present plan is to have them here as observers and experts rather than as a joint committee, however, as was suggested earlier. The reason for this change of plan is that there no longer seems to be any danger that any course which might be adopted by one commission might be finalized or prejudged by the other.

He pointed out that owing to the fact that most primary commodities are still in short supply, immediate action is not called for in the field of stabilizing prices.

In considering the various proposals, the FAO Preparatory Commission will be glad to consider any ITO proposals. It will not act primarily as a FAO agent, nor approach its problems in any bureaucratic attitude but will examine how best to get the job done.

Asked if the U.K. proposals for a positive commodity policy were having much effect on the thinking of Committee II, Mr. Bruce said, "not any more than merits of the proposals warrant," pointing out that there are many other proposals before the Committee and all are being given equal consideration.

Primary job of the FAO Preparatory Commission is that of increasing production in low-producing countries, Mr. Bruce said. He pointed out that such increases could not affect international trade for years to come, so would not be in conflict with plans for stabilizing farm prices.

Asked to comment on LaGuardia's statement that "to agree in principle but..." is diversion tactics, Mr. Bruce said that it is always true in conference that the difficult part is to get agreement on details.

Agenda of Committee II (On Price Stabilization and Commodity Policy)

At an executive meeting on November 6, Committee II of the FAO Preparatory Commission adopted an agenda for working out recommendations with regard to price stabilization and commodity policy.

Among the methods and techniques which will be considered by Committee II are: Buffer stocks, national and/or international; long term contract and bulk purchase, regulation of prices, exports, imports, stocks and/or production; other ad hoc measures; regional prices, and special price concessions.

Under price problems and objectives, the agenda lists: The existing world price situation compared with prewar; problems arising out of inter-relationships of prices of different commodities (for example, cereals and livestock products); definition of stabilization and "prices fair to producers and consumers" (including consideration of guaranteed prices, deficiency payments, prices fixed by international negotiation, equalizing supply and demand, long term and short term); and determination of basic price and price ranges. (This last includes price policy in relation to efficiency of production and distribution, and to shifts from high-cost to low-cost production, in importing and exporting countries alike.)

The agenda provides that foodstuffs will be considered first and the extent to which specific commodities need to be studied will be considered.

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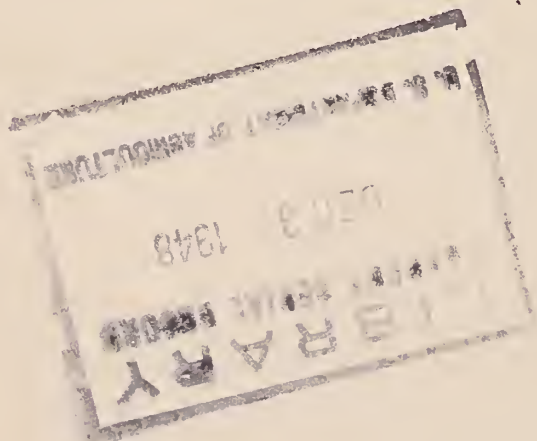
DOCUMENTS -- The following documents from the FAO Preparatory Commission are available from the USDA Office of Information:

Statement by Ambassador Pierre Forthomme -- head of the Belgian Delegation

Statement by His Excellency Saba Pacha Habachy -- Representative of Egypt

Statement by Mr. Enrique Perez Cisneros -- Alternate Member of the Cuban Delegation

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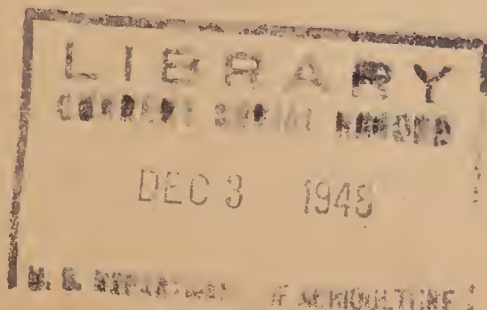
Summary of FAO Preparatory Commission Developments, December 4, 1946.  
(Report of verbal statements made by Chairman S. M. Bruce at his press conference, December 4.)

Mr. Bruce said that he thought the Commission would recommend that the objectives accepted at Copenhagen would best be reached by a somewhat different route than the World Food Board, originally proposed by FAO Director-General Sir John Orr. He said, however, that the conception of the Orr plan has a great psychological appeal to people generally. On the other hand the idea of a single international authority to deal with all important commodities had aroused fear in some places because of the immense power it would wield and the billions of dollars which would be involved, so that approaching the same objectives on a smaller scale, one commodity at a time, may be more acceptable.

In his formal statement, a copy of which is attached, Mr. Bruce said that, contrary to widespread opinion, the Orr plan for a World Food Board, and the United Kingdom and United States proposals are neither strictly comparable nor mutually exclusive. He also branded as incorrect reports that the acceptance of the United States proposal by ITO Preparatory Conference at its recent meeting in London leaves the FAO Preparatory Commission little to do. While London has been discussing the constitutional aspects of commodity agreements, the FAO Commission has been discussing the content of such agreements — what methods and techniques are appropriate for handling various important commodities. Besides, the remaining task of the FAO Preparatory Commission includes the much more important work of recommending to governments ways and means of "developing and organizing production, distribution, and utilization of basic foods to provide diets on a health standard for the peoples of all countries." Less public interest is focussed on this job of the Commission, however, because it is not controversial.

DOCUMENTS: The following release is available from the USDA Office of Information:

Statement of S. M. Bruce, Chairman of the Preparatory Commission on World Food Proposals, issued at a press conference, December 4, 1946.







ADVANCE RELEASE  
For A.M. papers  
December 5, 1946

PR 44

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS  
2000 Massachusetts Avenue, N.W., Washington 6, D. C.

STATEMENT OF S. M. BRUCE, CHAIRMAN OF THE  
PREPARATORY COMMISSION ON WORLD FOOD PROPOSALS

Issued at Mr. Bruce's Press Conference, December 4, 3: p.m.,  
at FAO Headquarters, 2000 Massachusetts Avenue

The Preparatory Commission on World Food Proposals now has been at work a little more than five weeks -- about half the time we have set for ourselves to the job for which we were brought together. The Commission still is determined to carry out its assigned task -- that of making concrete recommendations to Governments as to practical methods of reaching the two objectives approved at Copenhagen. These objectives are, as you know, "(a) developing and organizing production, distribution, and utilization of basic foods to provide diets on a health standard for the peoples of all countries, and (b) stabilizing agricultural prices at levels fair to producers and consumers alike."

The commission has made good progress thus far and I believe that from now on there will be many more tangible evidences of progress.

Up to now the Commission has taken no final decisions. Every plan or suggestion put before it still technically is in the form of a proposal. On several of these there is still a wide range of opinion among the delegations but there is a growing area of common ground on certain fundamentals.

The Commission has before it three fairly detailed and elaborate proposals -- those of Sir John Orr which suggested the creation of a world food board and two others submitted respectively by the United Kingdom and the United States. Contrary to an opinion which appears rather widespread, these three proposals are neither strictly comparable nor mutually exclusive.

Sir John's proposals stressed the need for a coordinated effort to raise production and purchasing power by developing agriculture and industry throughout the world and to stabilize agricultural prices especially through such means as establishing food reserves and working out constructive methods of using unmarketable surpluses. Although Sir John suggested that creation of a food board appeared one promising way of getting the job done, he stressed the fact that it was the substance rather than the form that was most important.

I shall not attempt to give any detailed interpretation of the United Kingdom or the United States proposals which have been published and amply explained by the representatives of the two countries. It is fair to say however, that the United Kingdom paper favored a group of integrated programs for various commodities rather than a single food board and that it emphasized the importance of such techniques as buffer stocks and long-term contracts. These

THE UNIVERSITY OF CHICAGO



techniques would aim at achieving most of the ends sought by the proposed Food Board. The United States paper which also favored the individual commodity approach, stressed the importance of following the principles laid down in the proposed ITO Charter, expressed agreement with some reservations with the various techniques proposed by the U.K., and made a specific suggestion for integrated programs of various commodities, namely creation of a three-man interim commission under the auspices of the United Nations.

Approval of a similar U.S. resolution by the Preparatory Commission in London apparently has given rise to the belief in some quarters that the Preparatory Commission on World Food Proposals has very little left to do. Such an impression is quite incorrect. While London has been discussing the constitutional aspects of commodity agreements -- who would be eligible for membership and what the voting rights would be, and so on -- we here are discussing the content of such agreements -- what methods and techniques are appropriate and we are going to test our ideas against a number of important commodities.

Much more important however is our broad task of recommending to governments ways and means of "developing and organizing production, distribution and utilization of basic foods to provide diets on a health standard for the peoples of all countries." In carrying out this task we will have to make recommendations and suggestions to governments on how they can help themselves in programs of development. We will also have to make recommendations to FAO on the organization of advice and assistance to governments. We will also have to make suggestions as to how best ITO can carry out its task in the field allotted to it so that its efforts will be coordinated with FAO. We will also have to set out the part that we consider the International Bank can play in the developmental plans designed to achieve the objective of an expanding world trade.

I believe with these two sets of recommendations -- first on the character of commodity agreements and second on ways of stimulating production -- we shall have given very practical effect to Sir John Orr's great conception, within the framework of the international agencies already created or proposed.

Finally, I would stress in all our work here we are impressed with the importance of using all these agencies to the full. We welcome the progress made in London toward establishing ITO because the reduction in trade barriers and the other objectives visualized in the ITO charter are essential to the improvement of nutritional standards throughout the world. We are also convinced that more coordination is needed to relate together the activities of the several agencies and I anticipate that we shall make important recommendations to the Economic and Social Council on this matter. It is their job to see that the specialized agencies work individually and collectively with the greatest possible effectiveness which will improve the welfare of all peoples.

